

Empowerment and Liberation Party

Accounts

For the year ended 31 July 2018

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2018

	Notes	2018 Shs	2017 Shs
Revenue	1	1,235,000	1,115,564
Direct costs	2	-	-
Gross profit		1,235,000	1,115,564
Other income	3	6,850	6,843
		1,241,850	1,122,406
Administrative expenses		(382,700)	(429,074)
Other operating expenses		(408,330)	(445,880)
Profit from operating activities		450,820	247,452
Finance costs	4	-	-
Profit before tax	5	450,820	247,452
Tax charge	6	-	-
Profit for the year		450,820	247,452

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P. O. Box 30084 - 00100, NAIROBI
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27 JUN 2019
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The notes on pages 5 to 10 form an integral part of these financial statements.

Empowerment and Liberation Party

Accounts

For the year ended 31 July 2018

BALANCE SHEET AS AT 31 July 2018

	Notes	2018 Shs	2017 Shs
EQUITY			
Capital and reserves			
Share capital		100,000	100,000
Retained earnings	7	698,272	247,452
		<u>798,272</u>	<u>347,452</u>
Non-current liabilities			
Borrowings	8	3,941,323	4,005,214
Total non-current liabilities		<u>3,941,323</u>	<u>4,005,214</u>
Total equity		<u><u>4,739,595</u></u>	<u><u>4,352,666</u></u>
REPRESENTED BY			
Non-current assets			
Property, plant and equipment	9	811,647	962,438
		<u>811,647</u>	<u>962,438</u>
Current assets			
Trade and other receivables	10	4,575,000	4,750,177
Cash at bank and in hand	11	758,457	854,065
		<u>5,333,457</u>	<u>5,604,243</u>
Current liabilities			
Trade and other payables	12	1,405,509	2,214,014
		<u>1,405,509</u>	<u>2,214,014</u>
Net current assets		<u>3,927,948</u>	<u>3,390,228</u>
		<u><u>4,739,595</u></u>	<u><u>4,352,666</u></u>

The financial statements on pages 6 to 9 were approved for issue by the Board of Directors on 1st July 18 and were signed on its behalf by:

.....Director

.....Director

The notes on pages 5 to 10 form an integral part of these financial



Empowerment and Liberation Party
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For the year ended 31 July 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 July 2018

	Share capital Shs	Retained earnings Shs	Total Shs
At 1 August 2017	100,000	247,452	347,452
Net profit for year	-	450,820	450,820
At 31 July 2018	<u>100,000</u>	<u>698,272</u>	<u>798,272</u>
At 1 January 2017	-	-	-
Shares issued during the year	100,000	-	100,000
Net profit for year	-	247,452	247,452
At 31 December 2017	<u>100,000</u>	<u>247,452</u>	<u>347,452.08</u>

The notes on pages 5 to 10 form an integral part of these financial statements.



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 JULY 2018

	Notes	2018	2017 Shs
Operating activities			
Net profit for the year		450,820	247,452
Adjustment for:			
Income tax charge	6	-	-
Operating profit before working capital changes		<u>450,820</u>	<u>247,452</u>
Tax paid	6	-	-
Changes in working capital:			
- Increase in trade and other receivables	10	175,177	(4,750,177)
- Increase in trade and other payables	12	(808,505)	2,214,014
Net cash generated from/(used in) operating activities		<u>(182,508)</u>	<u>(2,288,711)</u>
Proceeds from long-term borrowings	8	(63,891)	4,005,214
Net cash used in investing activities		<u>(63,891)</u>	<u>4,005,214</u>
Investing activities			
Property, plant and equipment purchase	9	150,791	(962,438)
Issue of shares	7	-	100,000
Net cash (used in)/generated from investing activities		<u>150,791</u>	<u>(862,438)</u>
Increase in cash and cash equivalents		<u>(95,608)</u>	<u>854,065</u>
Movement in cash and cash equivalents			
At 1 August		854,065	-
Decrease in the year		(95,608)	854,065
At 31 July 2018	11	<u>758,457</u>	<u>854,065</u>

The notes on pages 5 to 10 form an integral part of these financial statements.



Empowerment and Liberation Party

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For the year ended 31 July 2018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2018	2017 Shs
1 Revenue		
Donation	1,235,000	1,115,564
2 Direct costs		
Supply Services	-	-
3 Other income		
Gain on exchange	10	5
Interest income	6,840	6,837
Total other income	6,850	6,843
4 Finance costs		
Interest on bank loans	-	-
Total finance costs	-	-
5 Loss before tax		

a) The following items have been recognised as expenses in arriving at loss before tax:

	2018 Shs	2017 Shs
Employee benefit expenses	10,800	10,800
Depreciation of property, plant and equipment (Note 9)	158,330	195,880
Directors' remuneration	-	-
Auditors' remuneration	-	-
	-	-

b) Employee benefit expenses

The following items are included in the employee benefits expenses:

	2018 Shs	2017 Shs
Salaries, wages and allowances	150,000	100,000
Retirement benefit costs and terminal dues	10,800	10,800
Total employee benefits expenses	160,800	110,800



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Income tax	2018 Shs	2017 Shs
Current tax	-	-
Tax charge	-	-

Income tax is calculated at 30% of the estimated assessable profit for the year.

The tax expense for the year differs from the theoretical amount that would result from applying the statutory tax rate of 30% to profit/(loss) before tax as follows:

	2018 Shs	2017 Shs
Loss before tax	421,884	247,452
Tax calculated at the statutory rate of 30%	-	-
Deferred tax not recognised (Note 10)	-	-
Tax charge	-	-
Tax payable	-	-
Current tax charge	-	-
Tax paid	-	-
At 31 July	-	-



7 Share capital	No. of ordinary shares	Issued and fully paid Shs
At 31 July 2018	1,000	100,000

The total number of authorised ordinary shares is 1,000 with a par value of Shs. 100 each. The total number of shares issued and fully paid is 1,000 ordinary shares with a par value of Shs 100 each.

8 Borrowings	2018 Shs	2017 Shs
Non-current		
Loans		
Loan from related party	150,000	200,000
	5,621,387	5,635,278
	3,941,323	4,005,214
The movement in long term borrowings is as follows:		
At 1 August	4,005,214	-
Amounts borrowed	(180,026)	4,005,214
At 31 July 2018	3,846,636	4,005,214

In the opinion of the directors, the carrying amounts of borrowings approximate to their fair values. Fair values are based on discounted cash flows using the rate based upon the borrowing rate.

Loans from related parties are interest free, unsecured and not repayable within the next 12 months.

Empowerment and Liberation Party
 Accounts
 For the year ended 31 July 2018
 NOTES (CONTINUED)

9 Property, plant and equipment

Cost	Furniture, fittings & equipment Shs	Computer & equipment Shs	Total Shs
At 1 August 2018	866,372	291,946	1,158,318
Additions	-	7,540	7,540
At 31 July 2018	<u>866,372</u>	<u>299,486</u>	<u>1,165,858</u>
Accumulated depreciation			
At 1 August 2018	108,297	87,584	195,881
Depreciation charge	94,759	63,571	158,330
At 31 July 2018	<u>203,056</u>	<u>151,155</u>	<u>354,211</u>
At 31 July 2018	<u><u>663,316</u></u>	<u><u>148,331</u></u>	<u><u>811,647</u></u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Trade and other receivables	2018 Shs	2017 Shs
Trade receivables	-	-
Other receivables and prepayments	4,575,000	4,750,177
Total trade and other receivables	<u>4,575,000</u>	<u>4,750,177</u>

Trade and other receivables above do not contain impaired assets which have been provided for.

The fair values of the trade and other receivables is approximately equal to their carrying amounts.

11 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts. In the statement of financial position bank overdraft are included in borrowings in current liabilities. The year-end cash and cash equivalents comprise the following:

	2018 Shs	2017 Shs
Cash at bank	758,457	854,065
Total cash and cash equivalents	<u>758,457</u>	<u>854,065</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Trade and other payables	2018 Shs	2017 Shs
Trade payables	819,044	1,619,582
Other payables and accruals	586,465	594,432
Total trade and other payables	<u>1,405,509</u>	<u>2,214,014</u>

In the opinion of the directors, the carrying amounts of trade and other payables approximate to their fair values.

13 Related party transactions and balances

The following transactions were carried out with related parties which are related through common shareholding and/or common directorships:

i) Loans from related parties - (Note 8)	2018 Shs	2017 Shs
At 1 August	4,005,214	-
Amounts advanced	1,616,173	4,005,214
At 31 July	<u>5,621,387</u>	<u>4,005,214</u>
ii) Directors' remuneration		
Salaries and other employment benefits	-	-

14 Critical accounting judgments and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including experience of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key areas of judgment and sources of estimation uncertainty are set out below:

i) Property, plant and equipment - useful lives

Critical estimates are required in determining the depreciation rates for property, plant and equipment. The directors determine these rates of depreciation based on their assessment of the useful lives of the various items of property, plant and equipment.

ii) Intangible assets

Critical estimates are made by directors in determining the amortisation rates for intangible assets. The management determines these rates of amortisation based on their assessment of the useful lives of the intangible assets.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Critical accounting judgments and key sources of estimation uncertainty (Continued)

iii) Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

iv) Provisions for obsolete inventories

The Company reviews inventories on an annual basis to assess the likelihood of obsolescence. In determining whether an inventory item is obsolete, directors make judgment as to whether the inventory item is relevant.

v) Provisions for doubtful debts

The Company reviews the debtors' portfolio regularly to assess the likelihood of impairment. This requires an estimation of amounts that are irrecoverable.

vi) Financial assets

The Company reviews its financial assets to assess the likelihood of impairment on an annual basis. In determining whether such assets are impaired, directors make judgements as to whether such assets are impaired and whether there are conditions that indicate potential impairment of such assets.

vii) Impairment losses

At each reporting date date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the asset. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss, other than that arising from goodwill, is recognised as income immediately.



SCHEDULE OF OPERATING EXPENDITURE FOR THE YEAR ENDED 31 JULY 2018

	2019 Shs	2018 Shs
1. SELLING AND DISTRIBUTION EXPENSES		
Advertising expenses		-
Total selling and distribution costs		-
2. ADMINISTRATIVE EXPENSES		
Employment:		
Salaries and wages	150,000	100,000
Post employment benefits - NSSF	10,800	10,800
Total employment costs	160,800	110,800
Other administration:		
Office expenses	105,000	205,390
Accounting fees	25,000	25,000
Consultancy fee	15,000	12,000
Legal fee	12,000	15,000
Secretarial fees	6,000	6,000
Subscriptions	18,000	18,000
Telephones	4,000	3,000
Printing and stationery	12,000	10,000
Bank charges	8,000	7,900
Meals and entertainment	12,000	11,000
Computer expenses and Internet	4,900	4,984
Total other administrative expenses	221,900	318,274
Total administrative expenses	382,700	429,074
3. OTHER OPERATING EXPENSES		
Establishment:		
Depreciation of property, plant and equipment	158,330	195,880
Rent	250,000	250,000
Total other operating expenses	408,330	445,880
4. FINANCE COSTS		
Bank interest		-
Total finance costs		-

